



D. KENT MICHIE  
Insurance Commissioner  
Utah Insurance Department

JON M. HUNTSMAN, JR.  
Governor

JOHN 'MICKEY' BRAUN, JR., CIE  
Assistant Commissioner  
Office of the Commissioner

## Bail Bond Oversight Board Meeting

### Meeting Information

Date: June 20, 2007

Time: Noon

Place: Heber Wells Bldg, 5<sup>th</sup> Flr  
160 E. 300 S.

### Board Members

(Attendees = x)

xDominic Sanone, Chairman  
xRick T. Westmoreland,  
xMickey Braun

xWayne Carlos, Vice-Chairman  
Ralph Cragun  
Bert Christenson  
xMichael Weddington

### Insurance Department Staff

Perri Babalis  
xJilene Whitby

Darrel Powell  
xCommissioner Michie

xTara Lundgren  
xTracy Klausmeier

### Public

xThomas Hatrick  
xMisty Tresner

## MINUTES

**Welcome** Dominic began the meeting at 12:05p.m.

### **General Session** (*Open to the Public*)

- **Adoption of Minutes of Previous Meeting**  
Rick made a **motion** to adopt the minutes and Wayne seconded it. The vote was unanimous.
- **Approval of Recommended Actions from Executive Session**  
No actions were recommended.
- **Complaints/Investigations/Unpaid Forfeitures Report** / Tara Lundgren  
None
- **New Application** / Mickey Braun
  - **5% Bail Bonds**
- **Old Business**
  - **Setting a Minimum Percentage Charge: What are Minimum Premium Statutes of Idaho, Indiana, Nevada?**
    - Dominic said Nevada rates must be 50% or \$50. He talked with two bondsmen and a person at the insurance department and was told the law was difficult to police. The law does not disallow discounting. He did not know if disclosure was required. This raises the question: if you raise the minimum premium do you have to pass a law against financing the premium?
    - Mike asked Mr. Hatrick what his thoughts were on the issue. He replied that they hadn't changed. Rick asked how he saw enforcement of the minimum rate? Mr. Hatrick thought it would be like other laws, complaints would be called in and the department would investigate. Rick did not think it could be enforced easily. He asked what Mr. Hatrick would charge if a family member was thrown in jail. Mr. Hatrick said he would charge them the regular rate and throw them back in jail if necessary. Dominic said he did not want more regulations than necessary. Why put a law on the books that cannot be regulated.

- Mike reported that Idaho requires bail bond companies to submit their rates. Agents are required to provide a disclosure statement regarding their rates. Most agencies are charging between 8-10%. All are required to write with an insurance company. A certain portion of the premium goes to the insurance company and if the bondsman charges less than this amount they won't make a profit. They do not have property bondsmen.
- Tara asked what Mr. Hatrick what he would like to see the Board do? He said he would like to see them set the minimum rate at 10%. If his application is approved he will do business through 5% Bail Bonds and will make some money.
- Rick asked how they would regulate the minimum rate. Who will complain? Those getting a lower rate will not complaint. Dominic asked how the department could determine if an agent was making an effort to collect the premium? It will be difficult. Rick said it would be a feel good rule that will be un-enforceable. A rule could be made prohibiting a percentage or price amount being used in the name.
- Wayne didn't think they had the solution to the problem yet but should keep trying to find one. He did not want the 5% or less rate because only those with deep pockets will survive. Rick reminded the Board that they were just an oversight board, not an advocacy board. Mr. Hatrick said that all he wanted was a level playing field.
- Wayne reported that Indiana's laws were very strict. A bondsman must receive a receipt at the jail to show the bond was paid. They don't have property bondsmen. Rates are filed and must be used. Tracy noted that Utah companies file their rates at 0-20%.
- Tara asked how often they collect the money up-front from their customers? Some thought it depended on which county they were in. Mike said that such a law would discriminate against those who can't afford to, delaying their release from jail, possibly losing their jobs and requiring some to turn to state and federal services to take care of them.
- Rick said that if the Board passed a minimum percentage rule this year they would be back in five years to repeal it.
- Gale said 31A-23a-102 disallows false or misleading statements. If the agency is named 5% Bail Bonds then they must charge 5%. If they don't they will be in violation of the statute.
- Rick made a motion to approve the 5% Bail Bond's application. If they charge more or less then you can take action. Mr. Hatrick wanted to see more research on 10% minimum rate. Everyone in the industry wants the 10% minimum. Rick noted that a part of the problem is that small justice courts are charging inordinate amounts? This issue needs to be taken to the Judicial Council. All agreed. Rick suggested the Board get the new board member Camille Neider to work on the excessive bail issue and they would see a change.
- Tracy emphasized that bail bond agents can't say they will charge a certain rate and then increase it because a person pays late. They can charge a late fee.
- **Applications Replacing Ralph, Rick and Andrew**  
Commissioner Michie presented a plaque and letter of appreciation to Rick Westmoreland for his eight years of service with the Board. Ralph Cragun and Andrew Bilanzich will also receive a letter of appreciation and plaque for their service on the Board. The Board is still accepting applications from the public to replace Ralph.
- **Adjourn**  
At 1:49p.m. Rick made a motion to adjourn, which was seconded by Wayne.

***Next Meeting***  
**July 18, 2007**

~~Jan. 17, Rm 3112~~  
~~Feb. 21, Rm 3112~~  
~~Mar. 21, Rm 4112~~  
~~Apr. 18, Rm 4112~~

**2007 Meetings**

~~May 16, Rm 4112~~  
~~Jun. 20, Rm 4112~~  
Jul. 18, Rm 4112  
Aug. 15, Rm 4112

Sep. 19, Rm 4112  
Oct. 17, Rm 4112  
Nov. 21, Rm 4112  
Dec. 19, Rm 4112